



**Risk Finance and  
Insurance Services**

1 Ford Place, 4B  
Detroit, Michigan 48202-3450  
(313) 874-6826 Office  
(313) 874-6188 Fax  
Email: rfs@hfhs.org

May 21, 2012

The Honorable Joe Hune  
Chairman, Senate Committee on Insurance  
PO Box 30036  
Lansing, MI 48909-7536

**RE: Malpractice Reform Legislation (Senate Bills 1115, 1117, 1118  
and 1110, 1116)**

Dear Chairman Hune and Members of the Committee:

Thank you for the opportunity to comment on the Malpractice Reform Legislation. As Vice President of the Henry Ford Health System Risk Finance & Insurance Services Program, I would offer the following comments on specific bills for your consideration.

Our Henry Ford risk management program covers 5 hospitals, multiple emergency care centers and 1,100 physicians in 40 specialties who staff the Henry Ford hospitals and 29 medical centers. We provide care to approximately 1 million patients annually.

We have been very supportive of the malpractice provisions in current law, and we have seen improvement in our malpractice costs. However, issues remain in the liability statutes which should be addressed. We believe that fair and appropriate tort reform; when combined with the Henry Ford Health System commitment to improving quality, its approach to integrated medicine and its digital medical record systems have all played an essential part in an improved liability picture for Henry Ford Health System. However, inequities remain in the ambiguity and interpretation of several medical malpractice statutes. Additional changes would reduce inappropriate malpractice costs without placing patients at risk or preventing patients from obtaining access to remedies in the court system. It is from this perspective that we would offer the following comments.

**SB 1115** – Provides several changes which appear both fair and reasonable, and we are in support of them:

- That following a verdict, the "gross present cash value" of the award would be reduced to present value "compounded annually"(MCL 600.1483(3))
- That the noneconomic damage cap would expressly include "household services." (MCL 600.6306(2))

**SB 1117** – We support the proposed change:

- That the qualifications required for expert testimony against licensed professionals would apply equally to non-licensed health care professionals. (MCL 600.2169(2))

**SB 1118** – Provides several changes which appear both fair and reasonable, and we are in support of them:

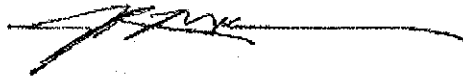
- That the ability of a claimant in a wrongful death claim to add additional years to the savings provision of the statute of limitations through the appointment of a successor personal representative would be reasonably limited to a term of years. (MCL 600.5852 (2)-(4))
- That interest on costs or attorney fees awarded under statute or court rule would not be calculated for any period before entry of the judgment. (MCL 600.2912e (8))

We do not support **SB 1110** and **SB 1116**, as in our opinion they have the potential to work against the best interests of our patients and would do nothing to foster quality medicine or responsible medical practice.

In our observation, the malpractice climate in Michigan has seen improvement through the reforms to Michigan law enacted in 1986, 1994 and 1996. However, more can be done. The improvements we support, contained within **SB 1115**, **1117** and **1118**, which have been presented for consideration by the Committee, will assist to make Michigan more attractive for physician practice and place Michigan in a more favorable position to reverse projected future physician workforce shortages.

Thank you for providing this opportunity to comment.

Sincerely,



John R. Mucha, JD, CPCU  
Vice President  
Risk Finance & Insurance Services  
Henry Ford Health System

cc. Senate Committee on Insurance